

**Supplemental Reporting Document  
Table of Contents  
September 2006 Investment Committee Meeting  
(July 2006 Reporting Period)**

**Investment Transactions**

**Public Employees Retirement Fund**

Internal Programs

Real Estate Equity Transactions

AIM Program Transactions

AIM Program Items Completed Under Delegation of Authority

Internally Managed Derivative Transactions Summary

Risk Managed Absolute Return Strategies Program Transactions

Risk Managed Absolute Return Strategies Program Items Completed

Under Delegation of Authority (No items to report)

**CURRENT STATUS OF ALL COMPLETED CALPERS REAL ESTATE EQUITY TRANSACTIONS FOR JUNE 2006**

ADVISOR	PROPERTY TYPE	PROPERTY NAME	CITY	STATE	MOST RECENT APPRAISED VALUE *	ACQUISITION DATE **	DISPOSITION DATE **	HISTORIC COST *	CALPERS EQUITY SHARE OF TRANSACTION AMOUNT	ESTIMATED AFTER FEE IRR *	STATUS/ COMMENTS
---------	---------------	---------------	------	-------	-------------------------------	---------------------	---------------------	-----------------	--	---------------------------	------------------

**DISPOSITIONS**

CalEast/LaSalle	Industrial	Brampton	Toronto	CAN	N/A	07/19/04	06/01/06	57,209,669	32,063,036	67.7%	Disposition
CalSmart/RREEF	Industrial	Rialto II - p/s	Rialto	CA	N/A	Various	06/09/06	N/A	6,102,095	N/A	Disposition
Bridge Urban Infill	CURE	Central Station - p/s	Oakland	CAN	N/A	Various	06/15/06	N/A	4,941,403	N/A	Disposition
CalWest/RREEF	Industrial	Beaumeade Land - p/s	Ashburn	VA	N/A	09/27/04	06/23/06	N/A	3,054,037	N/A	Disposition
CalWest/RREEF	Industrial	Garland Jupiter - p/s	Garland	TX	N/A	10/01/04	06/23/06	N/A	3,154,618	N/A	Disposition
CalWest/RREEF	Industrial	Plano Parkway - p/s	Plano	TX	N/A	10/01/04	06/23/06	N/A	1,980,146	N/A	Disposition
CalWest/RREEF	Industrial	Town Crossing (Land) - p/s	Herndon	VA	N/A	09/27/04	06/23/06	N/A	5,006,440	N/A	Disposition
CalWest/RREEF	Industrial	Cal-Tia Investment JV - p/s	N/A	N/A	N/A	08/29/03	06/30/06	N/A	127,814,861	N/A	Disposition

Total :	-	57,209,669	184,116,637
---------	---	------------	-------------

**ACQUISITIONS \*\*\***

CalEast/LaSalle	Industrial	Aeroterm – Cargex Portfolio	Portland	OR	N/A	06/13/06	N/A	N/A	1,483,073	9.0%	Acquisition
CalEast/LaSalle	Industrial	Aeroterm – Cargex Portfolio	Orlando	FL	N/A	06/13/06	N/A	N/A	3,633,659	10.1%	Acquisition
Blackrock Realty	Apartment	The Westminster	New York	NY	N/A	06/28/06	N/A	N/A	148,347,443	11.6%	Acquisition
Blackrock Realty	Apartment	The Wellington	New York	NY	N/A	06/28/06	N/A	N/A	166,014,727	8.6%	Acquisition

Total :	319,478,902
---------	-------------

**Footnotes**

- \* The most recent appraised values and historic cost values represent CalPERS' share only.
- \* Based upon data provided by partners.
- \*\* Based on funding settlement date.
- \*\*\* See brief descriptions - As attached.

## **NEW ACQUISITION SUMMARY**

**Advisor Name:** LaSalle Investment Management

**Property Name:** Aeroterm Portland

**City, State:** Portland, Oregon

**Ownership:** CalEast, through Cargo Acquisition Company, LLC

**Acquisition Date:** June 13, 2006

**Total Project Size:** 33,750 square feet

**Net Rentable Square Feet:** 33,750 square feet

**Project Purchase Price (CalPERS Equity)\*:** \$1,483,072.89 (CalPERS' 98% share of \$2,660,144)

**Leverage Portion of Purchase\*:** 41%

### **Property Highlights/Investment Summary:**

#### **Property location, sub-market description:**

On-airport air cargo facility at 5337 NE Courier Court, Portland, Oregon

#### **Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:**

The 33,750 square foot cargo facility has 50,750 square feet plane ramp, 19' to 21' clear heights and was built in 1997 of concrete, tilt-up walls.

#### **Summary leasing details, percentage leased, and historical lease rate percentages:**

Emery, a subsidiary of UPS, leases 82% of the 33,750 square foot building and 100% of the 50,750 square foot ramp through August 2007.

#### **Projected After Fee Internal Rate of Return:**

9.0%

## **NEW ACQUISITION SUMMARY**

**Advisor Name:** LaSalle Investment Management  
**Property Name:** Aeroterm – Cargex Portfolio  
**City, State:** Orlando, FL  
**Ownership:** Cargo Acquisition Company, LLC  
**Acquisition Date:** June 13, 2006  
**Total Project Size:** 11.37 acres  
**Net Rentable Area sf:** 111,658 rentable square feet  
**Project Purchase Price:** \$3,633,659

### **Property Highlights/Investment Summary:**

#### **Property location, sub-market description:**

- The Portfolio consists of three air cargo buildings located in Orlando, FL and Portland, ME. This acquisition is for Orlando only.
- Orlando International Airport is the 15<sup>th</sup> largest airport in the nation. The airport contains 660,000 square feet of cargo space and serviced 220,000 tons of cargo in 2004. With the addition of the Cargex Portfolio, the Aeroterm venture will control over a third of the total distribution space at the airport with 200,000 square feet in five buildings.

#### **Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:**

- The Orlando property consists of two multi-tenant air cargo buildings. Each building has ramp access and is located “inside the fence.” The buildings have on-site parking for 250 vehicles and were built between 1985 and 1990.

#### **Leasing details, percentage leased historical lease rate percentages:**

- The Portfolio is 76% leased to a mix of credit tenants including FedEx, Emery Worldwide and Airborne Express. Overall the above tenants occupy approximately 55% of the total rentable area.

#### **Tenants, lease expirations, and square footage leased to which tenants:**

- The Orlando buildings are leased to six tenants including Emery Worldwide (20,482 sq ft), Airborne Express (21,600 sq ft), Action International (9,600 sq ft), Megatrux (3,276 sq ft), Aircraft Service International (9,996 sq ft) and Matsushita Avionics (1,118 sq ft). There is currently 26,384 square feet of vacancy or approximately 28%.

#### **Projected After Fee Internal Rate of Return:**

- 6-Year Leveraged IRR of 10.1% (net of LIM advisory fees).

## **NEW ACQUISITION SUMMARY**

**Advisor Name:** BlackRock Realty

**Property Name:** The Westminster

**City, State:** New York, NY

**Ownership:** 95%

**Acquisition Date:** June 28, 2006

**Total Project Size:** 152 apartment units, 10,730 SF ground-floor retail, and a parking garage with 120 parking spaces

**Net Rentable Square Feet:** 211,674 total: 200,944 (residential), 10,740 (retail)

**Project Purchase Price (CalPERS Equity):** \$148,347,443.46

### **Property Highlights/Investment Summary:**

#### **Property location, sub-market description:**

The Westminster is located in the prestigious Upper East Side neighborhood of Lenox Hill on Third Avenue in the East 60's. The property is proximate to the City's major office districts including Park Avenue, the Plaza District, Madison/Fifth Avenue, and Midtown East.

#### **Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:**

The property was built in 1957 and is a 21-story high-rise. The building's structure is steel frame encased in concrete. The exterior walls are solid masonry wall construction primarily finished in white glaze brick. Total net rentable square footage is 211,674 SF including the 152 residential units and ground floor retail. The residential units are comprised of 37% one bedrooms, 42% two bedrooms, 20% three bedrooms, and 1% four bedrooms with an average square footage of 1,322. The one-story below ground parking garage has 120 spaces. The property offers 24-hour doorman reception, private terraces in select units, and views of the East River. The building contains a central laundry room.

#### **Leasing details, percentage leased historical lease rate percentages:**

The property was approximately 98% occupied at acquisition.

#### **Projected After Fee Internal Rate of Return:**

9.9% 10-year unleveraged. 11.6% 5-year unleveraged.

#### **Other:**

The investment strategy is to increase the percentage of market-rate units by renovating to a Class A standard upon turnover in anticipation of an eventual condominium conversion. Renovation of the common areas will be completed during the first two years of the hold period.

## **NEW ACQUISITION SUMMARY**

**Advisor Name:** BlackRock Realty

**Property Name:** The Wellington

**City, State:** New York, NY

**Ownership:** 95% CalPERS

**Acquisition Date:** June 28, 2006

**Total Project Size:** 115 apartment units, 7,741 SF ground-floor retail, 12,754 SF 2nd story office and a parking garage with 131 parking spaces

**Net Rentable Square Feet:** 215,075 total: 194,580 (residential), 7,741 (retail), 12,754 (office)

**Project Purchase Price (CalPERS Equity):** \$166,014,726.61

### **Property Highlights/Investment Summary:**

#### **Property location, sub-market description:**

The Wellington is located in the prestigious Upper East Side neighborhood of Lenox Hill on Third Avenue in the East 60's. The property is proximate to the City's major office districts including Park Avenue, the Plaza District, Madison/Fifth Avenue, and Midtown East.

#### **Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:**

The property was built in 1964 and is a 31-story high-rise. The building's structure is steel framing encased in concrete. The exterior walls are cavity masonry primarily finished in brown brick. Total net rentable square footage is 215,075 SF including the 115 residential units, ground-floor retail, and second-story office. The residential units are comprised of 22% one bedrooms, 56% two bedrooms, 16% three bedrooms, 4% four bedrooms, and 2% five bedrooms with an average square footage of 1,692. The two-level parking garage has 131 spaces. The property offers 24-hour doorman reception, private terraces in select units, and views of the East River. The building contains a central laundry room.

#### **Leasing details, percentage leased historical lease rate percentages:**

The property was approximately 98% occupied at acquisition.

#### **Projected After Fee Internal Rate of Return:**

7.9% 10-year unleveraged. 8.6% 5-year unleveraged.

#### **Other:**

The investment strategy is to increase the percentage of market-rate units by renovating to a Class A standard upon turnover in anticipation of an eventual condominium conversion. Renovation of the common areas will be completed during the first two years of the hold period.

**INTERNAL PROGRAMS**  
**Alternative Investment Management (AIM) Program**  
**Transactions - July 2006**

<b>Partnerships</b>	<b>Date</b>	<b>Transaction</b>	<b>Amount</b>
Aberdare III	7.25.06	Capital call	\$1,125,000.00
Advent Global P E IV	7.6.06	Capital call	\$750,000.00
Advent International GPE V-D	7.21.06	Capital call	\$7,191,690.00
AP Alternative Assets	7.26.06	Capital call	\$200,000,000.00
Apollo Investment Fund III	7.3.06	Capital call	\$277,599.00
Apollo Investment Fund VI	7.19.06	Capital call	\$26,717,383.00
Apollo Management VI	7.19.06	Capital call	\$2,359,137.00
Apollo Investment Fund V	7.17.06	Capital call	\$2,680,440.00
Apollo Investment Fund VI	7.27.06	Capital call	\$14,744,561.00
Ares Corporate Opportunities	7.24.06	Capital call	\$103,241.63
Ares Corporate Opportunities II	7.27.06	Capital call	\$7,263,922.52
Audax Mezzanine Fund II	7.19.06	Capital call	\$375,000.00
	7.28.06	Capital call	\$2,396,253.00
Audax Private Equity Fund II	7.28.06	Capital call	\$964,226.00
Aurora Equity Partners III	7.5.06	Capital call	\$654,097.00
Avenue Asia Special Situations IV	7.24.06	Capital call	\$6,000,000.00
Behrman Capital Partners III	7.6.06	Capital call	\$2,703,934.00
Belvedere Capital Partners II	7.17.06	Capital call	\$137,381.30
	7.26.06	Capital call	\$216,298.62
Birch Hill III	7.14.06	Capital call	\$795,925.17
	7.27.06	Capital call	\$7,623,529.42
Blackstone Management Fund V	7.12.06	Capital call	\$271,237.00
Blum Strategic Partners III	7.21.06	Capital call	\$3,700,658.00
Bridgepoint Europe III	7.19.06	Capital call	\$9,541,459.00
CalPERS/PCG Corporate Partners	7.3.06	Capital call	\$706,243.00
Carlyle Asia Growth Partners III	7.11.06	Capital call	\$430,595.00
Carlyle Asia II	7.24.06	Capital call	\$16,574,586.00

**INTERNAL PROGRAMS**  
**Alternative Investment Management (AIM) Program**  
**Transactions - July 2006**

<b>Partnerships</b>	<b>Date</b>	<b>Transaction</b>	<b>Amount</b>
Carlyle Asia Partners II	7.12.06	Capital call	\$1,312,500.00
Carlyle Europe Partners II	7.31.06	Capital call	\$2,219,789.00
Carlyle Partners IV	7.27.06	Capital call	\$11,923,212.00
Carlyle Mexico Partners	7.6.06	Capital call	\$250,000.00
Carlyle Riverstone III	7.5.06	Capital call	\$3,716,572.00
	7.20.06	Capital call	\$1,065,789.47
Carlyle Riverstone Renewable	7.10.06	Capital call	\$453,699.00
Central Valley Fund	7.21.06	Capital call	\$2,500,000.00
CEV	7.3.06	Capital call	\$620,000.00
	7.6.06	Capital call	\$794,500.00
	7.24.06	Capital call	\$3,490,700.00
	7.27.06	Capital call	\$542,300.00
CEV II	7.6.06	Capital call	\$1,879,000.00
	7.20.06	Capital call	\$500,180.00
	7.21.06	Capital call	\$1,010,205.00
	7.31.06	Capital call	\$2,500,085.00
CEV III	7.17.06	Capital call	\$909,300.00
	7.21.06	Capital call	\$879,000.00
	7.26.06	Capital call	\$3,648,900.00
	7.31.06	Capital call	\$3,382,900.00
Clearstone III-A	7.3.06	Capital call	\$1,000,000.00
Clessidra	7.18.06	Capital call	\$1,258,570.00
CVC Capital Asia Pacific II	7.3.06	Capital call	\$19,174,318.46
CVC European Equity II	7.31.06	Capital call	\$14,554.84
CVC European Equity IV	7.27.06	Capital call	\$8,213,285.00
Darby Converging Europe Mezzanine Fund	7.31.06	Capital call	\$1,431,767.00
DFJ Element	7.26.06	Capital call	\$750,000.00



**INTERNAL PROGRAMS**  
**Alternative Investment Management (AIM) Program**  
**Transactions - July 2006**

<b>Partnerships</b>	<b>Date</b>	<b>Transaction</b>	<b>Amount</b>
Doyle & Boissiere Fund I	7.7.06	Capital call	\$195,860.00
Ethos Private Equity Fund IV	7.7.06	Capital call	\$79,217.95
EuclidSr Biotechnology	7.10.06	Capital call	\$1,500,000.00
Falconhead Capital Partners II	7.13.06	Capital call	\$49,285.00
FFC Partners III	7.3.06	Capital call	\$86,545.00
First Reserve X	7.5.06	Capital call	\$1,473,799.00
Francisco Partners II	7.10.06	Capital call	\$3,937,500.00
FS Equity Partners V	7.5.06	Capital call	\$375,000.00
	7.24.06	Capital call	\$3,500,000.00
Giza Venture Fund IV	7.6.06	Capital call	\$800,000.00
Granite Global II	7.6.06	Capital call	\$3,000,000.00
Green Equity Investors III	7.7.06	Capital call	\$223,194.00
Green Equity Investors IV	7.31.06	Capital call	\$3,579,366.09
Healthpoint Capital	7.10.06	Capital call	\$1,350,000.00
ICV Partners	7.5.06	Capital call	\$13,265.21
ICV Partners II	7.6.06	Capital call	\$279,375.85
Institutional Venture XI	7.18.06	Capital call	\$1,250,000.00
KKR European Fund II	7.14.06	Capital call	\$8,755,183.00
KKR Millennium Fund	7.14.06	Capital call	\$1,093,000.00
Levine Leichtman Deep Value Fund	7.14.06	Capital call	\$468,750.00
Levine Leichtman Capital Partners II	7.14.06	Capital call	\$17,299.00
Levine Leichtman Capital Partners III	7.25.06	Capital call	\$1,800,000.00
Lexington Capital Partners V	7.3.06	Capital call	\$629,994.00
Lime Rock III	7.5.06	Capital call	\$1,214,675.00
	7.24.06	Capital call	\$626,450.00
Littlejohn II	7.5.06	Capital call	\$107,044.44
Lombard Pacific Partners	7.7.06	Capital call	\$396,000.00
Lombard Thailand Partners	7.18.06	Capital call	\$991,141.74
Madison Dearborn Capital Partners IV	7.31.06	Capital call	\$334,490.00

**INTERNAL PROGRAMS**  
**Alternative Investment Management (AIM) Program**  
**Transactions - July 2006**

<b>Partnerships</b>	<b>Date</b>	<b>Transaction</b>	<b>Amount</b>
Madison Dearborn Capital Partners V	7.31.06	Capital call	\$1,125,000.00
MHR Institutional Partners II-A	7.6.06	Capital call	\$1,000,000.00
New Mountain Partners II	7.3.06	Capital call	\$1,283,445.00
NGEN II	7.31.06	Capital call	\$227,500.00
Nogales Investors Fund I	7.7.06	Capital call	\$175,366.97
OCM Opportunities VI	7.24.06	Capital call	\$3,750,000.00
OCM Principal Opportunities III	7.5.06	Capital call	\$2,500,000.00
	7.31.06	Capital call	\$2,500,000.00
Palladium Equity Partners III	7.3.06	Capital call	\$1,033,029.32
Parish Capital I	7.21.06	Capital call	\$1,982,274.00
Prospect Venture Partners II	7.21.06	Capital call	\$1,500,000.00
Provender Opportunities Fund II	7.27.06	Capital call	\$279,697.00
Q Street	7.26.06	Capital call	\$223,298.81
RFG Private Equity Fund 1A	7.27.06	Capital call	\$1,230,769.00
RockPort Capital Partners II	7.25.06	Capital call	\$392,283.00
Safeguard International	7.18.06	Capital call	\$99,101.64
Sanderling V Biomedical Co-Investment Fund	7.3.06	Capital call	\$4,500,000.00
T <sup>3</sup> Partners II	7.6.06	Capital call	\$2,516,550.00
THL Equity Advisors IV	7.5.06	Capital call	\$106,458.00
Thomas H. Lee VI	7.12.06	Capital call	\$43,822,293.00
	7.25.06	Capital call	\$23,993,284.00
Thomas H. Lee V	7.10.06	Capital call	\$8,177,900.00
Ticonderoga e-Services II	7.10.06	Capital call	\$735,148.00
TowerBrook II	7.7.06	Capital call	\$7,409,756.00
TPG Biotechnology	7.21.06	Capital call	\$3,966,006.00
TPG Partners III	7.6.06	Capital call	\$534,079.00
TPG Partners IV	7.6.06	Capital call	\$960,621.00
Trinity IX	7.14.06	Capital call	\$750,000.00
W Capital	7.28.06	Capital call	\$500,000.00

**INTERNAL PROGRAMS**  
**Alternative Investment Management (AIM) Program**  
**Transactions - July 2006**

<b>Partnerships</b>	<b>Date</b>	<b>Transaction</b>	<b>Amount</b>
Welsh Carson Anderson & Stowe X	7.26.06	Capital call	\$7,000,000.00
Yucaipa American Alliance Fund I	7.3.06	Capital call	\$1,595,685.00
Yucaipa American Special Situtionation Fund I	7.3.06	Capital call	\$406,255.00
Yucaipa Corporate Initiatives Fund	7.3.06	Capital call	\$845,231.00
<b>TOTAL CAPITAL CALLS</b>			<b>\$556,992,989.45</b>
<b>TOTAL DISTRIBUTIONS</b>			<b>\$299,610,582.32</b>

<b>INTERNAL PROGRAMS</b>		
<b>Alternative Investment Management (AIM) Program</b>		
<b>Summary of Investments Completed Under Delegated Authority</b>		
<b>Item</b>	<b>Name of Investment</b>	<b>Commitment</b>
Attachment 1	Carlyle Asia Partners II	\$150 million
Attachment 2	New Enterprise Associates 12, L.P.	\$50 million
Attachment 3	Rhone Capital III, L.P.	€100 million
Attachment 4	Thomas H. Lee Partners Fund VI, L.P.	\$300 million
Attachment 5	TPG Partners V, L.P.	\$750 million

In the August Supplemental Reporting Document, it was reported that a \$25 million commitment was made to VantagePoint Venture Partners 2006. The amount reported was in error as the correct amount of the commitment was \$100 million.

**Alternative Investment Management Program  
Executive Summary of Action Taken  
Under Delegation of Authority**

**Carlyle Asia Partners II, L.P.**

**Action:**

Commit \$150 million to Carlyle Asia Partners II, L.P. ("CAP II" or the "Fund").

**Background:**

The Carlyle Group ("Carlyle" or the "Firm"), an existing AIM partner, is raising its second institutional Asian private equity fund focused on buyouts. Formed in 1987, Carlyle is a global private equity firm based in Washington, D.C. with more than \$30.9 billion under management and 39 active funds. As one of the largest private equity firms in the world, Carlyle has 650 employees in 24 offices in 14 countries, including nearly 350 investment professionals, primarily located in Washington D.C. The CAP II investment team is comprised of twenty investment professionals located in five offices across four countries.

CAP II will acquire control-oriented investments in public and private companies through acquisitions, spin-offs, restructurings, and opportunistic strategic minority investments across the major markets of Asia (ex-Japan), including greater China, South Korea, India, and Australia. The Fund closed on \$1.8 billion of total commitments as of May, 2006.

This commitment is consistent with the AIM Program Strategic Review because it represents the continued support of one of our strategic private equity partners.

**Key Principals:**

- **XD Yang, Fund Co-Head/Managing Director.** XD will co-lead the group. Before joining Carlyle in 2002, XD spent ten years at Goldman Sachs where he was co-head of private equity investments for Asia ex-Japan and a member of Goldman Sachs' Asia operations committee. Mr. Yang received an M.B.A. from Harvard Business School.
- **Greg Zeluck, Fund Co-head/Managing Director.** Greg will co-lead the group. Before joining Carlyle in 1999, Greg spent one year at Merrill Lynch on the Asian High Yield team and thirteen years at Lehman Brothers in Corporate Finance and Merchant Banking, approximately four years of which were spent in Asia. Mr. Zeluck received his A.B. from Princeton University, graduating magna cum laude in East Asian studies.

**Analysis:**

- **Carlyle has generated positive returns across a broad and tenured portfolio in a variety of strategies, sectors and geographies.** Carlyle, with more than \$30.9 billion under management, has 39 active funds. Eight of these funds are focused on investments in Asia and five funds under development are focused on buyouts, venture/growth capital, real estate and leveraged finance.
- **Carlyle has led several large, successful and complex private equity deals in non-Japan Asia.** Carlyle has completed two prominent and successful deals in Taiwan and Korea and is in the process of closing two pioneering deals in China.
- **The Firm has a strong team of experienced industry professionals.** Carlyle has significantly expanded its Asian presence in recent years. As of October 2005, Carlyle had 63 investment professionals in eight offices throughout the region, and had invested \$1.9 billion in 52 transactions. The Asia Buyout Group has 20 investment professionals in five offices.
- **The Fund will leverage the global network of the Carlyle Group.** With over 300 investment professionals around the world, the Fund will access global resources for due diligence, execution, and realization of Fund investments.

**Litigation:**

Carlyle has indicated there is no current, threatened, or pending litigation against Carlyle, the Principals, or any affiliated entity.

**Delegation Resolution Compliance:**

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

**Due Diligence Report:**

Staff has received a Due Diligence Report on this transaction from LP Capital Advisors.

**Alternative Investment Management Program  
Executive Summary of Action Taken  
Under Delegation of Authority**

**New Enterprise Associates 12, L.P.**

**Action:**

Commit \$50 million to New Enterprise Associates 12, L.P. (the "Fund").

**Background:**

Established in 1978, New Enterprise Associates ("NEA" or "Firm") is a leading venture capital firm seeking to raise its twelfth fund, New Enterprise Associate 12, L.P. The Fund will make venture growth equity investments in information technology and healthcare companies primarily located in North America, and opportunistically in China and India. The Fund seeks to invest an average of \$30 million per company. The Firm has offices in Menlo Park, Baltimore and Reston with 29 full-time investment professionals. The Fund had a closing in April 2006.

This commitment is consistent with the AIM Program Strategic Review because it represents the continued support of one of our top performing private equity partners.

**Key Principals:**

- **Dick Kramlich, General Partner/Co-Founder.** Prior to co-founding NEA, Mr. Kramlich was a General Partner of Arthur Rock & Associates and Executive Vice President of Gardner & Preston Moss. He received an MBA from the Harvard University Graduate School of Business and a B.S. in History from Northwestern University.
- **Chuck Newhall, General Partner/Co-Founder.** Before co-founding the Firm, Mr. Newhall was a Vice President with T. Rowe Price Associates and Vice President of their New Horizons Fund. He received his MBA from the Harvard University Graduate School of Business and his BA in English Literature with honors from the University of Pennsylvania.
- **Peter Barris, Managing General Partner.** Before joining NEA in 1992, Mr. Barris was President and Chief Operating Officer at LEGENT and Senior Vice President and General Manager of the Systems Software Division at UCCEL. He received an MBA from Dartmouth College and a B.S. in Electrical Engineering from Northwestern University.

**Analysis:**

- **NEA is a leading venture capital firm with strong investment performance.** In aggregate, the Firm has generated top quartile performance over its 28 years of venture capital investing. In addition, NEA is one of the few venture capital firms to have built a large scale practice that has successfully invested a significant amount of capital over numerous investment cycles.
- **The Fund will benefit from the Firm's globally recognized brand and deep networks with entrepreneurs.** NEA enjoys strong brand reputation among entrepreneurs and co-investors around the world, which will help attract attractive investment opportunities. The Firm works with its portfolio companies to develop global strategies that leverage NEA's network in China and India.
- **The Firm has an experienced and deep investment team managing the activities of the Fund.** NEA has 29 full time investment professionals and 11 venture partners focused on sourcing, managing, and exiting portfolio companies. The senior professionals of the Firm have an average tenure with the NEA that exceeds 10 years.

**Litigation:**

According to NEA, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

**Delegation Resolution Compliance:**

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

**Due Diligence Report:**

Staff has received a Due Diligence Report on this transaction from Grove Street Advisors.



**Alternative Investment Management Program  
Executive Summary of Action Taken  
Under Delegation of Authority**

**Rhone Capital III, L.P.**

**Action:**

Commit €100 million to Rhone Capital III, L.P. (“Rhone III” or the “Fund”).

**Background:**

The Rhone Group, (“Rhone” or the “Firm”), an existing AIM partner through Grove Street Advisors, is raising its third institutional private equity fund. Formed in 1996, Rhone is a European private equity fund with offices in New York, London, and Paris with two active funds under management. Rhone III will focus on the European middle market with family transactions and structured corporate transactions. The Fund closed on €490 million of total commitments in May 2006.

This commitment is consistent with the AIM Program Strategic Review because it represents the continued support of one of our strategic private equity partners.

**Key Principals:**

- **Robert Agostinelli, Managing Director.** Prior to co-founding Rhone, Robert was a Senior Managing Director in the banking group of Lazard Freres & Co. with responsibility for that firm’s international banking business. Before, joining Lazard, Robert spent five years with Goldman Sachs and also worked at Jacob Rothschild in London. Robert received a B.A. from St. John Fisher College, an MBA from Columbia Business School and is a Certified Public Accountant.
- **Steven Langman, Managing Director.** Prior to co-founding Rhone, Steven was a Managing Director of Lazard Freres & Co. Before joining Lazard, Steven worked in the mergers and acquisitions department of Goldman Sachs. He received a B.A. with Highest Honors from the University of North Carolina at Chapel Hill and an MS from the London School of Economics.
- **Ferdinand Groos, Managing Director.** Prior to joining Rhone in 1997, Ferdinand was a Vice President of Lazard Freres & Co. working in both London and New York. He has a B.A. in economics and a B.A. in history with highest honors from Brown University.

- **Nancy Cooper, Managing Director.** Prior to joining Rhone in 1996, Nancy was a Principal with the Gemini Consulting Group, advising clients on human resource, management and MIS strategies. Prior to Gemini, she was a Managing Director of Lazard Freres for five years and a Vice President at Goldman Sachs in New York and London. Nancy has an MBA from the Amos Tuck School of Business at Dartmouth College, and a B.A. in mathematics from the University of North Carolina at Chapel Hill.

#### **Analysis:**

- **Rhone has generated superior performance with the previous funds.** The team solidified its strategy in the second half of Fund I focusing on proprietary European investments, frequently including a cross border element. Fund I is nearly fully realized and Fund II has made six investments with two partial realizations.
- **The Fund strategy leverages Rhone's relationship.** Based on building the Lazard and Goldman European M&A businesses, the Rhone team enjoys long-standing relationships with many senior management teams, founding families, industry professionals and leading corporations.
- **The Rhone investment professionals have extensive experience.** The Rhone team collectively has over 200 years of relevant experience. All of the Managing Directors have been with the Firm since the beginning of Fund I.

#### **Litigation:**

Rhone has indicated there is no current, threatened, or pending litigation against Rhone, the Principals, or any affiliated entity.

#### **Delegation Resolution Compliance:**

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

#### **Due Diligence Report:**

Staff has received a Due Diligence Report on this transaction from Grove Street Advisors.

**Alternative Investment Management Program  
Executive Summary of Action Taken  
Under Delegation of Authority**

**Thomas H. Lee Partners Fund VI, L.P.**

**Action:**

Commit \$300 million to Thomas H. Lee Partners Fund VI, L.P. (the “Fund”).

**Background:**

Thomas H. Lee Partners (“Firm” or “THL”) is a Boston-based large growth buyout firm raising its sixth fund, Thomas H. Lee Partners Fund VI, L.P. The Fund will make equity investments in established companies with strong business fundamentals and prospects for sustainable revenue growth across an array of industries. The Fund will primarily target North American companies with enterprise values between \$500 million and \$10 billion. THL was established in 1974 and began managing institutional private equity funds in 1984. The Fund had a close in April 2006.

This commitment is consistent with the AIM Program Strategic Review because it represents the continued support of one of our top performing private equity partners.

**Key Principals:**

- **Anthony J. DiNovi, Co-President.** Prior to joining THL, Mr. DiNovi was in the Corporate Finance Department at Wertheim Schroder & Co., Inc. Mr. DiNovi received an A.B. in Social Studies from Harvard College and an MBA from the Harvard Graduate School of Business Administration.
- **Scott A. Schoen, Co-President.** Prior to joining the Firm in 1986, Mr. Schoen was in the Private Finance Department of Goldman, Sachs & Co. Mr. Schoen received a B.A. in History from Yale University, a J.D. from Harvard Law School and an MBA from the Harvard Graduate School of Business Administration. Mr. Schoen is a member of the New York Bar.

- **Scott M. Sperling, Co-President.** Before joining THL in 1994, Mr. Sperling was Managing Partner of the Aeneas Group, the private capital affiliate of the Harvard Management Company, Inc. from 1984 to 1994. Prior to 1984, Mr. Sperling was with The Boston Consulting Group. Mr. Sperling received a B.S. from Purdue University and an MBA from the Harvard Graduate School of Business Administration.

#### **Analysis:**

- **The Firm has successfully executed on the Fund's strategy over numerous investment cycles.** THL has invested multiple funds with similar investment strategies through periods of strong and weak financial markets. Over a 22 year history of institutional private equity investing, the Firm has invested a significant amount of capital while generating an attractive track record.
- **THL has an experienced investment team managing this Fund.** With 11 Managing Directors, the Fund will benefit from the cumulative experience, knowledge and relationships of the professionals. With an average tenure of 14 years with the Firm, the THL investment professionals have deep networks with intermediaries and executives in various industries.
- **The Fund will benefit from the strong brand recognition of Thomas H. Lee Partners in the buyout market.** THL is recognized as one of the leading growth buyout firms in North America. The Firm has developed a strong reputation of partnering with management and growing companies and effectuating a successful exit of many companies through initial public offerings and trade sales.

#### **Litigation:**

According to Firm, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

#### **Delegation Resolution Compliance:**

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

#### **Due Diligence Report:**

Staff has received a Due Diligence Report on this transaction from Hamilton Lane.

**Alternative Investment Management Program  
Executive Summary of Action Taken  
Under Delegation of Authority**

**TPG Partners V, L.P.**

**Action:**

Commit \$750 million to TPG Partners V, L.P. (the “Fund”)

**Background:**

Texas Pacific Group (“TPG” or “the Firm”) was founded in 1992 and is led by David Bonderman and James Coulter. TPG and its affiliates have 14 offices around the world, with the main investment office in San Francisco. The Firm has raised six funds focused on buyout transactions in North America and Western Europe, and four funds focused on buyouts in Asia through TPG/Newbridge. In aggregate, CalPERS has committed over \$800 million to TPG funds, of which the buyout funds have collectively generated a 30% IRR net of fees and expenses. The Fund will focus on buyouts and growth capital investments in large companies based in the United States, Europe, and, to a lesser degree, Asia. The Fund’s investments will generally fall into three major categories: i) steady state buyouts; ii) transformational buyouts; and iii) off the beaten path buyouts. Equity investments by the Fund will typically range from \$100 million to \$500 million, although significantly larger equity investments may be made from time to time. The Fund had a close in May of approximately \$14 billion.

This commitment is consistent with the AIM Program Strategic Review because it represents the continued support of one of our strategic private equity partnerships.

**Key Principals:**

- **David Bonderman, Founding Member.** Prior to co-founding TPG in 1992, Mr. Bonderman served as the Chief Operating Officer of RMBG in Fort Worth, TX. Prior to joining RMBG in 1983, he was a partner in the law firm of Arnold & Porter LLP in Washington, DC where he specialized in corporate, securities, bankruptcy, and antitrust litigation. Mr. Bonderman received a bachelor’s degree from the University of Washington in Seattle and a law degree from Harvard Law School, where he was a member of the Harvard Law Review and a Sheldon Fellow.

- **James Coulter, Founding Member.** Prior to co-founding TPG, Mr. Coulter served as the Vice President of RMGB, and was also associated with SPO Partners, an investment firm that focused on public market and private minority investments. Mr. Coulter received a bachelor's degree from Dartmouth College and an MBA from the Stanford Graduate School of Business.

#### **Analysis:**

- **The General Partner is comprised of a deep, experienced, and well-structured team of investing and operating professionals.** TPG V is comprised of 24 partners, including the Founders, with substantive experience as senior professionals and executives at merchant banks, investment banks, private equity firms, industrial firms, technology firms, law firms, and consulting firms. In addition to their prior experiences, the investing and operating professionals within TPG have significant experience leading or serving as team members on large buyout and growth capital transactions through the prior TPG Funds.
- **The General Partner and the Founders have generated attractive returns with their prior investments.** Since 1985, the General Partner and the Founders have invested approximately \$11 billion in 109 transactions, generating \$24.6 billion in total pro forma value, for a 2.2x multiple of cost.
- **The General Partner has established a strong brand name in the private equity marketplace.** Over the past 13 years, TPG has developed a global reputation as a top-tier large-cap private equity investor, and has an extensive network of relationships among global investment banks, financial lenders, law firms, consulting firms, other intermediaries, corporations, other private equity firms, and operating executives.

#### **Litigation:**

According to TPG, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

#### **Delegation Resolution Compliance:**

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

#### **Due Diligence Report:**

Staff has received a Due Diligence Report on this transaction from Hamilton Lane.

## INTERNALLY MANAGED DERIVATIVE TRANSACTIONS SUMMARY

June 30, 2006

	(\$ Millions)
<b><u>SECURITY TYPE</u></b>	<b><u>NOTIONAL</u></b>
FUTURES PURCHASES	\$604.50
FUTURES SALES	\$585.00

**INTERNAL PROGRAMS**  
**Risk Managed Absolute Return Strategies (RMARS) Program**  
**Transactions - July 2006**

<b>Partnerships</b>	<b>Date</b>	<b>Transaction</b>	<b>Amount</b>
Atticus Global, L.P.	7/1/06	Additional Contribution	\$ 50,000,000
Brookside Capital Partners Fund, L.P.	7/1/06	Additional Contribution	\$ 25,000,000
Chatham Asset High Yield Offshore Fund, Ltd.	7/1/06	Additional Contribution	\$ 20,000,000
Deephaven Market Neutral Fund, LLC.	7/1/06	Additional Contribution	\$ 50,000,000
Farallon Capital Offshore Investors, Inc.	7/1/06	Additional Contribution	\$ 40,000,000
Lansdowne European Strategic Equity Fund, L.P.	7/1/06	Additional Contribution	\$ 25,000,000
Liberty Square Offshore Partners, Ltd.	7/1/06	Additional Contribution	\$ 15,000,000
O'Connor Global Quantitative Equity, LLC	7/1/06	Additional Contribution	\$ 30,000,000
OZ Domestic Partners II, L.P.	7/1/06	Additional Contribution	\$ 50,000,000
Partner Fund, L.P.	7/1/06	Additional Contribution	\$ 30,000,000
Tremblant Partners L.P.	7/1/06	Additional Contribution	\$ 30,000,000
<b>TOTAL INVESTMENTS</b>			<b>\$ 365,000,000</b>
<b>TOTAL REDEMPTIONS</b>			<b>\$</b>